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ECONOMIC REPORT

Farm Credit
Corporation
CanadaSociété du
crédit agricole
Canada

No. 22, December 1988

Trends in Farmland Values

National trends

The decline in Canadian farmland values that began in 1983 slowed in 1988. Research carried out by Farm Credit Corporation (FCC) indicates that farmland values declined nationally a further 7.7 percent between July 1, 1987 and July 1, 1988 compared with the 10.2 percent decline in 1987 (Table 1). However, there were major regional differences with stable or improved land values in central and eastern Canada and a further decline in land values in western Canada.

The continuing financial stress in the agricultural sector, the large inventory of farm properties held for sale by farm lenders, as well as price uncertainty and the prospect of a drought at the time of the farmland value survey, placed downward pressure on the land market. High real interest rates and the cautious investment attitude of many farm buyers undoubtedly impacted negatively on the demand for and price of farmland.

Previous FCC reports indicated that after reaching a high in 1982, bare land values declined nationally with the largest annual decline of 10.2 percent occurring between 1986 and 1987. Major declines have occurred in western Canada with values declining almost 40 percent in Saskatchewan since 1984. In 1988, farmland values in central and eastern Canada remained relatively stable except for an 11.4 percent increase in bare land values in Ontario.

Sources of variation

Farmland values are affected by a number of variables including the quality of land, proximity to urban centers, commodity prices, income expectations, government programs, amount of farmland on the market, alternative land uses, past inflation and future inflationary expectations, credit availability and interest rates.

Productive land is normally more marketable because of its ability to generate farm income. Furthermore, most urban centers are located in areas of good quality soil creating increased competition for farmland.

Proximity to urban centers also affects farmland values as has been clearly demonstrated in central Canada. Access by farmers to off-farm jobs as a result of this proximity contributes to improved farmland values.

Commodity prices and income expectations directly impact on farmland values. Depressed grain and oilseed prices in 1987 and early 1988 decreased returns to farmland causing continued declines in land values as evidenced in western Canada. Reduced farm incomes as a result of the drought also reduced returns to farmland, forcing further declines in farmland values. Government program payments help to compensate for such income loss but the extent of their impact on farmland values is difficult to measure.

The market availability of farmland also influences its value. Currently, farm lenders hold nearly one million acres of farmland which is slowly being moved onto the market. This, combined with farmers marketing properties in order to restructure their balance sheets, will continue to moderate farmland values.

The level of interest rates also impacts on the demand for farmland. Because agriculture is capital intensive, cost of credit is a major influence on the investment decision. Current high real rates of interest and low returns in the sector are dampening farmland values.

TABLE 1 - PERCENT VARIATIONS IN FARMLAND VALUES

Province	1984-85	1985-86	1986-87	1987-88	1984-88
British Columbia	-13.7%	-6.6%	-11.3%	- 1.3%	-29.4%
Alberta	- 8.3%	-8.2%	- 8.4%	- 8.2%	-28.8%
Saskatchewan	-10.3%	-8.3%	-15.3%	-11.7%	-38.4%
Manitoba	- 7.3%	-4.9%	- 6.8%	-11.3%	-24.8%
Ontario	- 9.4%	-4.8%	- 3.9%	11.4%	- 9.1%
Quebec	- 1.0%	1.4%	0.2%	1.0%	0.9%
New Brunswick	1.0%	-2.1%	0.6%	- 0.1%	- 0.6%
Nova Scotia	- 4.3%	1.7%	2.1%	2.6%	1.5%
P.E.I.	-11.4%	-7.9%	- 7.5%	0.0%	-23.4%
Newfoundland	N/A	N/A	N/A	N/A	N/A
Canada	- 8.8%	- 6.9%	-10.2%	- 7.7%	-29.2%

Provincial trends

National averages often mask regional trends in farmland values. The rate of change in farmland values varied considerably between provinces and within provinces. The average annual variation in values of cultivated bare land for the past two years and the cumulative changes for the period 1984 to 1988 are indicated on the map (Figure 1). The changes reflected this year vary slightly from changes reported previously because input data on the distribution of improved acres reflects 1986 Census information.

In British Columbia in 1988, the cash crop area in the Peace River country and specialty crop areas of the B.C. interior experienced further declines in farm-

land values while farmland increased 11 percent in the Fraser Valley. In the Prairie provinces, values declined between three and 21 percent with the province of Saskatchewan experiencing the largest decline in farmland values. While farmland values increased 11.4 percent in Ontario, values in Quebec and the Maritime provinces remained stable.

During the four-year period 1984 to 1988, farmland values decreased 20 to 41 percent in the grain and oilseed growing areas of the Prairie provinces and British Columbia. Bare land values in the province of Alberta declined 20 to 35 percent. The greatest drop in bare land values occurred in Saskatchewan with decreases ranging from 35 to 41 percent. Manitoba experienced a decline of about 25 percent in the same four-year period. These sharp drops in

FIGURE 1: Farmland Values Per Cent Variations in Canada *

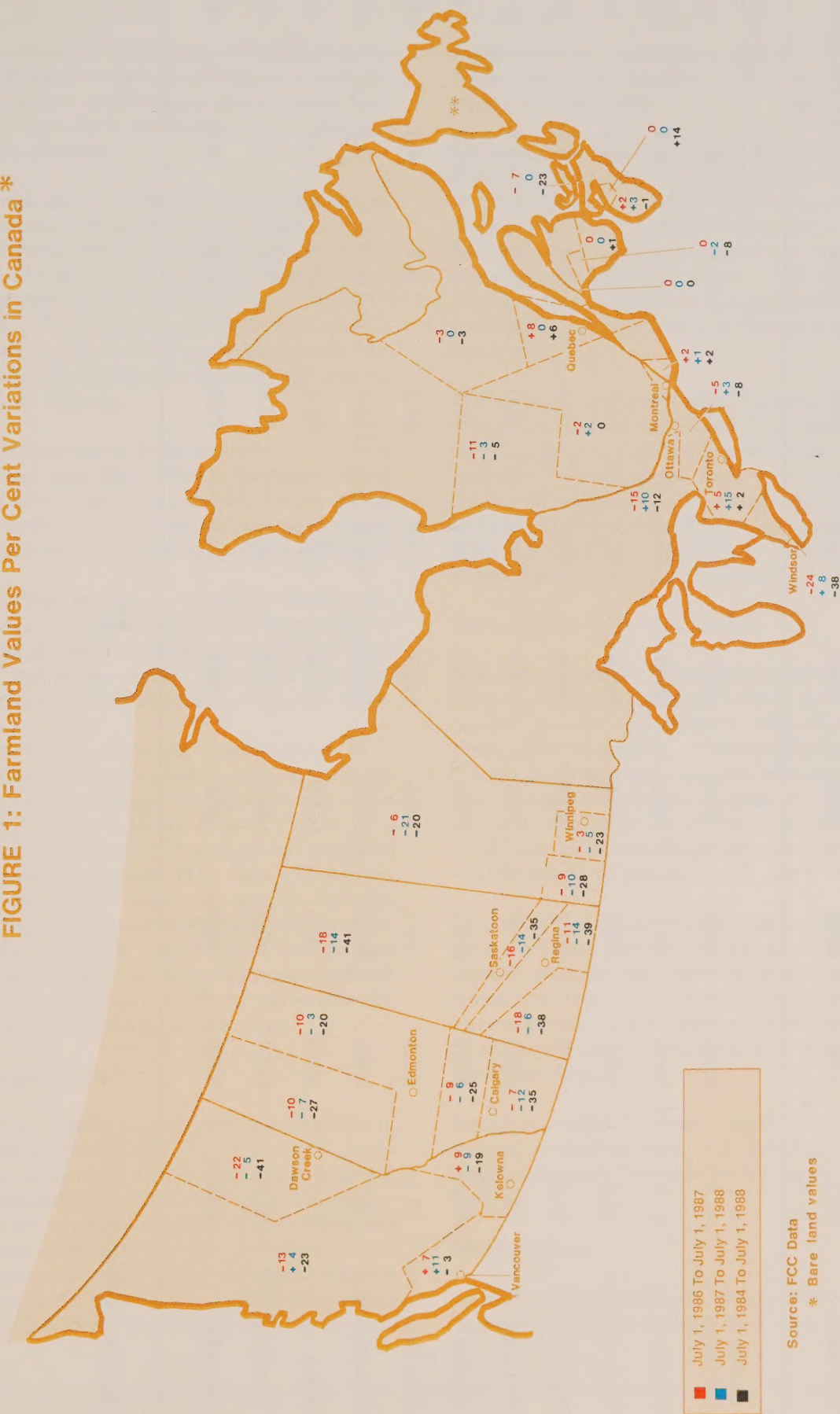


TABLE 2 - INDEX OF VALUES OF FARMLAND AND BUILDINGS

Province	1977	1981	1982	1983	1984	1985	1986	1987	Annual Compound Rate of Variation %	
									1977-87	1981-87
British Columbia	47.9	100.0	90.9	91.6	86.9	80.7	74.2	66.0	+3.3	-6.7
Alberta	41.8	100.0	98.7	90.5	82.2	75.5	67.8	64.5	+4.4	-7.0
Saskatchewan	42.4	100.0	108.1	106.0	102.9	93.5	86.9	73.8	+5.7	-4.9
Manitoba	48.5	100.0	92.7	92.7	89.5	87.6	83.9	78.0	+4.9	-4.1
Ontario	58.7	100.0	97.9	91.0	89.0	82.7	76.0	73.0	+2.2	-5.1
Quebec	52.1	100.0	103.6	106.2	103.6	98.9	99.4	101.4	+6.9	+0.2
New Brunswick	53.1	100.0	100.7	106.9	112.3	119.2	118.9	118.9	+8.4	+2.9
Nova Scotia	50.7	100.0	100.4	106.2	107.6	111.6	115.8	118.0	+8.8	+2.8
P.E.I.	47.7	100.0	95.6	101.5	102.5	108.8	106.1	106.1	+8.3	+1.0
Newfoundland	63.5	100.0	90.6	88.1	82.8	80.4	76.6	76.6	+1.9	-4.4
Canada	48.1	100.0	99.8	95.3	90.7	84.1	77.7	71.9	+4.1	-5.4

Source: Statistics Canada

values can undoubtedly be attributed to financial difficulties in the farm sector, more farmland available for sale by lenders and farmers restructuring their operations, depressed commodity prices, and the prospect of a drought.

Of all regions, the province of Ontario experienced the most pronounced increase in farmland values in 1988 after three years of declines. Much of this increase can be attributed to profits in the livestock and supply-managed sectors and the diversity of agriculture. These factors combined with the demand for real estate created by the buoyant provincial economy undoubtedly contributed to higher farmland values in Ontario.

For the past four years, farmland values in Quebec have changed very little. This reflects the overall stability of farm income, much of which comes from the dairy sector, income expectations, government programs and the diversity of agriculture in Quebec.

In the Maritime provinces, farmland values have also been relatively stable except for the province of Prince Edward Island where farmland values follow returns in the potato sector. Farmland values in P.E.I. stabilized in 1988 after declining since 1984.

In addition to the information collected by FCC, Statistics Canada compiles information on the value of farmland and buildings. This information which is outlined in Table 2 differs from FCC data as it includes building values when estimating changes in real estate values whereas FCC data reflects only changes in bare land values. In western Canada, where buildings are minor contributors to the average value per acre, FCC and Statistics Canada data tend to be comparable. Such is not the case in much of eastern Canada where buildings contribute significantly to total farm real estate value.

Future expectations

As a result of improved grain and oilseed prices in 1988 and forecast favourable returns to 1990, farmland values in Canada should stabilize or increase slightly. Demand for farmland generated by higher incomes is not expected to be significant. Reduced farm returns created by the drought may prevent some farmers, who would have otherwise been active participants in the farmland market, from purchasing farmland in 1989. Extreme caution by farmers

expanding their operations, and high real interest rates will prevent significant increases in farmland values in most areas.

Unlike the U.S. where debt outstanding declined from over \$200 billion in 1982 to nearly \$150 billion in 1988, Canadian agriculture increased its debt during this period and still faces a large amount of farm debt that must be balanced with the long-term income potential of the sector. Reducing the outstanding debt of Canadian farmers will improve the profitability of the sector and therefore its purchasing power.

Government and commercial lenders have nearly one million acres of farmland. This combined with continued financial difficulties in the farm sector will prevent farmland values from increasing substantially. Although substantial regional variations in farmland values are expected, national farmland values should increase slightly in 1989 due to higher prices of many farm commodities.

Comparison with U.S. trends

Although farmland values continued to decline in Canada this year, farmland values in the U.S. increased in 1987 and again in 1988 after declining since 1982. Nationally, values in 1988 are expected to increase by four to six percent. However, like Canada, changes in farmland values in the U.S. are regional. For example, although the state of Iowa experienced a severe drought this summer, year over year farmland values increased nearly 20 percent.

U.S. farm real estate market reports indicate that good quality farmland continues to sell very well as positive returns are expected under current economic conditions in the farm sector. These returns have also rekindled the interest of off-farm investors in farm real estate, contributing further to higher farmland values.

Based on present conditions and the assumption of a normal production year, U.S. farmland values are forecast to again increase by four to six percent in 1989.

Methodology

In 1985, FCC established a system of benchmarks to monitor variations in bare land values across the

country. Representative parcels of bare land were selected according to the most prevalent agricultural classes of soil in each census district. The appraisals completed as of July 1, 1984 have been updated yearly using the most recent comparable farmland sales. A weighting factor was assigned to each benchmark appraisal to estimate changes in value. This year, the weighting factors were based on the areas of improved farmland compiled from the 1986 Census. The land capability information for agriculture and the 1986 Census land-use information were provided by the Land Use Policy and Research Branch of Environment Canada.

This report is available in both official languages.

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ECONOMIC REPORT

No. 23, November 1989

Trends in farmland values

National Trends

Canadian farmland values increased in 1989 for the first time since 1981. Farm Credit Corporation (FCC) research shows that farmland values increased nationally by 4.9 per cent between July 1, 1988 and July 1, 1989 compared to a 7.3 per cent drop in 1988 (Table 1). Farmland values rose in all provinces with substantial gains in Ontario and Nova Scotia. The value of land varied considerably within provinces.



Farmland values in Ontario increased 23.8 per cent between 1988 and 1989.

It appears that 1989 marks the end of the period of dropping land values that began in 1982 and which was characterized by high interest rates, heavy debt loads, increased farm failures, falling grain prices and low income expectations. Some of the financial stress in the agricultural sector has been reduced as a result of adjustments out of agriculture, consolidation of farm businesses and government assistance programs. Indications from FCC field staff suggest that some farmers with savings, who were waiting to purchase land when prices had

"bottomed out", decided that this was the year to invest in additional land. Several regions reported more land sales although the size of the parcel of land purchased was often smaller than in the past.

Land values across Canada declined by over 35 per cent from 1981 to 1988 (Figure 1). Land values this year are at almost the same level as they were 10 years ago.

The greatest declines occurred in western Canada after 1984 with values dropping almost 40 per cent in Saskatchewan. The reported higher level of confidence in western agriculture this year appears to be reflected in more stable or slightly higher 1989 land values. Land values in eastern Canada, which began to decline earlier than those in western Canada, have been increasing for the last two years ●



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Provincial Trends

Changes in farmland values varied considerably between provinces and within provinces. The average annual change in the values of cultivated bare land for the past two years and the cumulative changes for the period 1984 to 1989 for selected areas are indicated on the map (Figure 2). Because changes in land values are measured as of July 1 of each year, local conditions such as expectations for crops can greatly affect values.

In British Columbia in 1989, changes in land values across the province varied considerably due to the diversity of agriculture and urban influences. In the interior and Okanagan, land values dropped two to three per cent in 1989 compared to 1988, possibly due to the reported lack of optimism and concern about the future of the fruit and ranching sectors. In the Fraser Valley and areas closer to Vancouver, off-shore investments and the buoyant economy have contributed to a 10 per cent increase in land values.

Throughout Alberta the cautious confidence in agriculture, provincial government assistance programs and good 1988 crops in some areas appear to have halted the decline in land values. Land values in most areas of Alberta increased slightly except in the Peace River area where a 20 per cent in-

crease was recorded. FCC field staff report that last spring producers were expecting a bumper crop for the second consecutive year and good prices in the Peace River area.

Land values declined slightly or remained unchanged in all areas of Saskatchewan except for the most northern part where an eight per cent increase was recorded. Producers were expecting a bumper crop in the area this spring following a good snow cover. The increased demand for land this year indicates that some Saskatchewan farmers felt that prices may have "bottomed out".

Manitoba farmers also expressed some optimism by increased demand for farmland and higher sales activity. Land values rose more on the better soil types than on

poorer land. Most land transfers are reported to be for smaller parcels of land to add onto existing farms and for purchases of leased land.

Ontario recorded an average 24 per cent increase in farmland values with values doubling in some areas. This dramatic increase in values is urban-driven as country properties have become popular again following the rapid rise of housing costs in central Ontario. Much of the increase in farmland values started in the summer of 1988 and continued throughout the year. Some urban purchasers of farmland are reported to be regarding the land and the home on it as a future investment and often are not interested in renting the land to nearby farmers. Sales for farming purposes have also increased as farmers with savings compete in the land market.

Figure 1: CHANGES IN FARMLAND VALUES

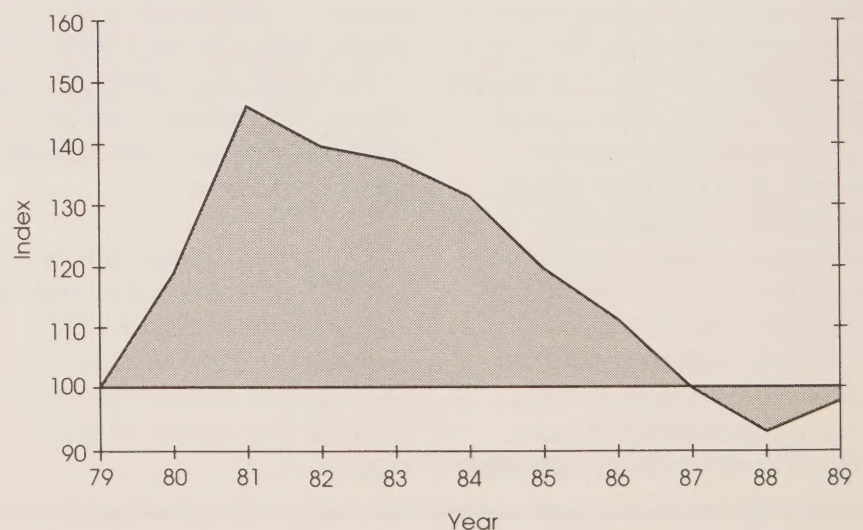


TABLE 1 - PERCENT CHANGES IN FARMLAND VALUES

<u>Province</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1984-89</u>
British Columbia	-13.7%	-6.6%	-11.3%	-1.3%	3.8%	-26.4%
Alberta	-8.3%	-8.2%	-8.4%	-8.2%	5.7%	-25.1%
Saskatchewan	-10.3%	-8.3%	-15.3%	-10.6%	0.4%	-38.1%
Manitoba	-7.3%	-4.9%	-6.8%	-11.3%	6.1%	-25.9%
Ontario	-9.4%	-4.8%	-3.9%	11.4%	23.8%	14.5%
Quebec	-1.0%	1.4%	0.2%	1.0%	4.3%	6.3%
New Brunswick	1.0%	-2.1%	0.6%	-0.1%	1.8%	1.3%
Nova Scotia	-4.3%	1.7%	2.1%	2.6%	13.1%	14.3%
P.E.I.	-11.4%	-7.9%	-7.5%	0.0%	6.4%	-20.2%
Newfoundland	N/A	N/A	N/A	N/A	N/A	N/A
Canada	-8.8%	-6.9%	-10.2%	-7.3%	4.9%	-25.9%

Land values in Quebec increased moderately across the province, reflecting the stability in Quebec agriculture. Since 1984, Quebec land values have risen by about six per cent as a result of government programs, a strong dairy sector and the diversity of agriculture.

Stable agricultural prices and conditions led to higher values in most of the Maritime provinces. The largest increase was recorded in Nova Scotia where farmers appear to be optimistic about the future and good land is at a premium. Higher potato prices increased land values in Prince Edward Island for the first time in several years. Land values in New Brunswick have not varied greatly, increasing by only 1.3 per cent since 1984.

Statistics Canada also compiles information on the value of farmland and buildings (Table 2). Statistics Canada includes buildings when estimating the changes in farm real estate values. FCC data reflects only changes in bare land values. In western Canada, where buildings are minor contributors to the average value per acre, FCC and Statistics Canada data tend to be comparable. In much of eastern Canada, where buildings often contribute significantly to total farm real estate values, FCC and Statistics Canada data differ ●

Factors Affecting Land Values

A number of variables affect farmland values. They include the quality of land, proximity to urban centers, commodity prices, market access, income expectations, weather conditions, government programs, alternative uses, amount of farmland on the market, inflationary expectations, investment opportunities, credit availability and interest rates.

Farmland generates income in two ways: from the sale of products and from its value as an investment. Most of the factors affecting changes in farmland values relate to the land's income generating ability. Productive land normally commands a higher price than less

productive land. However, land quality alone does not determine land values as the value of the commodities produced on the land, market access, commodity prices, weather conditions and government payments all influence its income generating ability.

Another factor affecting the demand for farmland is the prospective owner's total income available to sustain the farm operation. In a good farming area where producers tend to be well established and relatively free of debt, competition among farmers for additional land can greatly affect land values. Access to off-farm employment has been clearly demonstrated to increase land values near major centers in all provinces.

The availability and cost of credit has a direct impact on the demand for farmland. Because agriculture is capital intensive, the cost of credit has a major influence on the investment decision. Subsidized interest rates can increase the demand for farmland and inflate its value.

Proximity to large urban centers also affects farmland values. The value of farmland often inflates rapidly when it is purchased as an investment opportunity for purposes other than farming. This was very evident this year in the area surrounding Vancouver and in central Ontario. In many cases, this land

was purchased by urban dwellers for aesthetic reasons, country estate homes, a "better lifestyle" and as an investment ●

Future Expectations

Nationally, farmland values are expected to increase slightly in 1990. In the Prairie provinces, the cautious optimism which began in 1989 is expected to continue. With normal weather conditions, the demand for farmland should continue at current levels as farmers who had previously delayed their purchasing decisions enter the market.

The demand for farmland in eastern Canada is also expected to continue at a moderate level. Larger increases are predicted in Ontario where alternative uses and the demand by well established farmers are expected to put continued pressure on the land market. No other major increases are foreseen ●

Methodology

In 1985, FCC established a system of benchmarks to monitor variations in bare land values across the country. Representative parcels of bare land were selected according to the most prevalent agricultural classes of soil in each Census district. The appraisals completed as of July 1, 1984 have been updated yearly by FCC field staff using the most recent comparable farmland sales. A weighting factor was assigned to each benchmark property based on the improved area by soil class from the 1986 Census ●

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Ce rapport est aussi disponible en français

Map of Canada showing temperature anomalies for July 1, 1988, compared to July 1, 1987, and July 1, 1989. The map displays various cities and their corresponding temperature anomalies in degrees Celsius.

Legend:

- Red: July 1, 1988 to July 1, 1989
- Blue: July 1, 1987 to July 1, 1988
- Green: July 1, 1984 to July 1, 1989

Source: FCC Data

* Bare land values

** Insufficient data

Temperature anomalies (in degrees Celsius) for various locations:

- Dawson Creek: +4, -5, -40
- Edmonton: +20, -7, -13, 0, -3, -20, -34
- Saskatoon: +8, -9, -34
- Regina: -3, -14, -1, -41, -14, -36
- Winnipeg: +1, -10, -34, +14, -5, -19
- Calgary: +4, -6, -22, -12, -33, -39
- Kelowna: +10, +11, -9, -22
- Vancouver: +10, +11
- Windsor: +27, +8, -20
- Toronto: +26, +15, +32
- Ottawa: +15, +14, +3, +5
- Montreal: +6, +10, 0, -1, -2, -7, +14, +13, +25
- Quebec: +3, +2, +8, +4, +11, 0, +3, -3, +5, +9
- Atlantic Canada: +6, 0, -20, +10, +14, +3

★ **Bare land values**

★★ **Insufficient data**

★ Bare land values

★★ Insufficient data

TABLE 2 -Index of Values of Farmland and Buildings

Compound
Per Cent Change

PROVINCE	1978	1981	1982	1983	1984	1985	1986	1987	1988	1987-88 1981-88	
										78	
British Columbia	58.4	100.0	90.9	91.6	86.9	80.7	74.2	66.1	65.4	1.1	-5.9
Alberta	49.8	100.0	98.7	90.5	82.2	75.5	67.8	64.5	62.5	2.3	-6.5
Saskatchewan	51.8	100.0	108.1	106.0	102.9	93.5	86.9	73.8	67.8	2.7	-5.4
Manitoba	60.2	100.0	92.7	92.7	89.5	87.6	83.9	78.0	71.7	1.7	-4.6
Ontario	67.1	100.0	97.9	91.0	89.0	82.7	76.0	72.9	80.9	1.9	-3.0
Quebec	62.5	100.0	103.6	106.2	103.6	98.9	99.4	101.4	102.4	4.8	0.3
New Brunswick	63.1	100.0	100.7	106.9	112.3	119.2	118.9	118.9	118.9	6.1	2.5
Nova Scotia	59.1	100.0	100.4	106.2	107.6	111.6	115.8	118.0	120.6	6.9	2.7
P.E.I.	58.5	100.0	95.6	101.5	102.5	108.8	106.1	106.1	106.1	5.8	0.9
Newfoundland	70.6	100.0	90.6	88.1	82.8	80.4	76.6	76.6	76.6	0.8	-3.7
CANADA	57.1	100.0	99.8	95.3	90.7	84.1	77.7	71.7	70.9	2.1	-4.8

Source: Statistics Canada

ECONOMIC REPORT

No. 24, June 1990

Trends In Farmland Values

For several years, the Farm Credit Corporation (FCC) has issued a fall report on trends in farmland values comparing the annual change in land values as of July 1. In order to provide more timely economic information to the agricultural community, FCC is complementing the fall report with a semi-annual update based on January 1 land values •

National Trends

Canadian farmland values continued to rise in the last half of 1989. FCC research shows that farmland values increased nationally by 2.7 per cent between July 1, 1989 and January 1, 1990. This follows a 4.9 per cent increase between July 1,

1988 and July 1, 1989, the first since 1981.

Farmland values went up in all provinces during the last half of 1989 with substantial gains in Prince Edward Island. The value of land varied considerably within provinces because of productivity differences and market conditions.

Land values across Canada declined by over 35 per cent from 1981 to 1988 (see chart, page 2). The 1989 increase has returned land values to the level they were at 10 years ago. The average annual change in the values of cultivated bare land since 1984, the changes for the last half of 1989 and the cumulative changes since 1984 are provided by province (see table, page 3).

Changes in land values reported here were measured as of January 1, 1990 compared to

July 1, 1989, and reflect the summer and fall market for farmland. Local conditions such as rainfall, early frosts and harvest conditions can greatly affect values during the period covered by this survey •

Provincial Trends

The degree of change in land values was fairly uniform across Canada in the last half of 1989, with less variation between provinces and within provinces than in the last few years. Increases were fairly slight in most areas of Canada, with the exception of Prince Edward Island and land surrounding some major urban centres.

In British Columbia, land values changed little throughout the province except in the Fraser



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Valley and areas closer to Vancouver, where off-shore investments and a buoyant economy contributed to a 27 per cent increase.

Land values in the Prairies remained stable with changes recorded only in the central regions. Land values in central Alberta increased about eight per cent while in the black soil area of central Saskatchewan values rose three per cent. In south central Manitoba, an active land market pushed bare land values up by nine per cent.

Farmland values in Ontario increased on average 7.5 per cent during the last half of 1989. Much of this

gain occurred in central Ontario where values increased about 12 per cent. Although the growth is mainly urban-driven, sales for farming purposes have also risen as farmers with savings or ready access to credit compete in the land market.

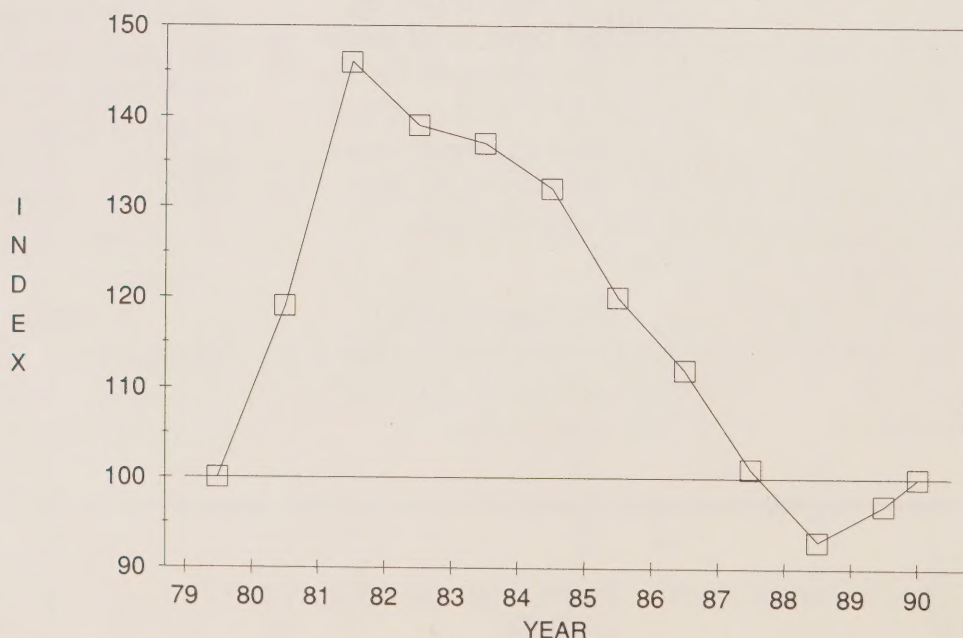
In most of Quebec and the Maritime provinces, land values climbed only slightly. The noteworthy exception was in the Maritime potato producing areas where large increases were recorded. Higher potato prices and the prospect of continuing good prices in 1990 contributed to a 16.5 per cent gain in Prince Edward Island during the last half of 1989. This is the first year

in several that land prices in P.E.I. have risen ●

Future Expectations

Nationally, farmland values are expected to remain steady in 1990, pending the market's assessment of the 1990 crop and the impact of higher interest rates. In the Prairie provinces, the cautious optimism which began in 1989 is expected to continue. With normal weather conditions, the demand for farmland should be steady as farmers who had previously delayed their purchasing decisions enter

CHANGES IN CANADIAN FARMLAND VALUES



Percent Changes In Farmland Values

PROVINCE	1984-85	1985-86	1986-87	1987-88	1988-89	01-Jul-89 to 01-Jan-90	1984-89 ¹
B.C.	-13.7%	-6.6%	-11.3%	-1.3%	3.8%	4.6%	-23.3%
Alberta	-8.3%	-8.2%	-8.4%	-8.2%	5.7%	2.6%	-23.1%
Saskatchewan	-10.3%	-8.3%	-15.3%	-10.6%	0.4%	0.7%	-37.4%
Manitoba	-7.3%	-4.9%	-6.8%	-11.3%	6.1%	2.7%	-20.5%
Ontario	-9.4%	-4.8%	-3.9%	11.4%	23.8%	7.5%	22.9%
Québec	-1.0%	1.4%	0.2%	1.0%	4.3%	3.5%	9.7%
New Brunswick	1.0%	-2.1%	0.6%	-0.1%	1.8%	1.7%	2.9%
Nova Scotia	-4.3%	1.7%	2.1%	2.6%	13.1%	2.2%	17.7%
P.E.I.	-11.4%	-7.9%	-7.5%	0.0%	6.4%	16.5%	-6.4%
Newfoundland	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canada	-8.8%	-6.9%	-10.2%	-7.3%	4.9%	2.7%	-24.3%

¹ July 1, 1984 to January 1, 1990

the market. Demand in eastern Canada is expected to continue at a moderate level ●

Methodology

In 1985, FCC established a system of benchmarks to monitor variations in bare land values across the country. Representative parcels of bare land were selected according to the most prevalent agricultural classes of soil in each Census district. A

weighting factor was assigned to each benchmark property based on the improved area by soil class from the 1986 Census. The appraisals completed as of July 1, 1984 are updated by FCC field staff using the most recent comparable farmland sales ●

This is FCC's first semi-annual report on land value trends. The next report will be issued in the fall and will reflect changes as of July 1, 1990.

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